



FIELD-Support LWA Award

Quarterly Report

**The Financial Integration, Economic Leveraging, Broad-Based Dissemination
Leader with Associates
Cooperative Agreement No. EEM-A-00-06-00001-00**

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Submitted By:



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Background

FIELD-Support is a Leader with Associates Award (cooperative agreement) between the office of Microenterprise Development in USAID (EGAT/PR/MD) and the Academy for Educational Development (AED), along with the latter's consortium of 9 core partners and 17 resource organizations. The AED team consists of leading NGO development organizations with proven track records in reducing poverty and promoting sustained, equitable growth through microenterprise development, microfinance, value chain development, institutional and human capacity-building, and the promotion of other market-based approaches.

FIELD-Support encompasses both a core leader award and a mechanism for USAID missions to issue associate awards. The purpose of the leader award is to advance the frontiers of practical knowledge in relation to microfinance, microenterprise development, and sustainable rural livelihoods, working in close collaboration with the MD office, USAID missions, and the community of development practitioners. The leader award implements activities that seed innovation, demonstrate better practices, document results, and disseminate findings that will advance the global state-of-the-practice.

Activities implemented under FIELD-Support include work at every level of the economy, from the regulatory environment, business value chains, to financial service providers, to promoting economic growth, and improving the financial security of poor households and businesses by strengthening financial and business support systems and their ability to access those systems.

The FIELD-Support Management Team at AED is pleased to present this quarterly report highlighting the LWA developments and accomplishments for the quarter ending September 30, 2007.

1. Leader Activities

During the reporting period, the AED/FIELD-Support team continued to provide management, administration, and coordination oversight and support to leader, associate, and pilot activities being implemented under the LWA. These included monitoring existing pilot project activities, reviewing and processing payments, and ensuring contractual and financial compliance. FIELD-Support management provided senior level oversight for all the leader and associate activities, contributing to their technical design, implementation, and ensuring quality. Other team members coordinated day-to-day communications with the core team and resource organizations and assisted with the administration of this complex contractual mechanism.

The AED/FIELD-Support team held regular weekly staff meetings to discuss pilot and associate award activities, contractual issues, as well as topics related to the overall coordination with partners. These meetings also serve as venue for reviewing the lessons learned on project management, discussing areas for improvement, and adjusting and adapting various approaches under the LWA.

During this quarter, the team and its partners also collaborated on two Associate Award proposals:

- 1) In response to RFA No. 518-A-07-004, a team from FIELD-Support consisting of AED, ACDI/VOCA, and CARE developed a proposal for the USAID/Ecuador Local Business Development (LBD) program. This activity will support USAID in its efforts to promote the competitiveness of Ecuadorian enterprises along the southern and northern borders and create licit employment opportunities. Award is pending.
- 2) A team consisting of AED and eight FIELD-Support partner organizations developed a response to a request from the USAID Displaced Children and Orphans Fund to strengthen the economic circumstances of vulnerable children and the families and communities that care for them. The award was formally issued to AED on September 28. The program, known as *Supporting Transformation by Reducing Insecurity and Vulnerability with Economic Strengthening Program* (STRIVE), is a US \$15.9 million, 5-year award, that will include multiple projects, principally in Africa and Asia looking for effective ways of sustainably reducing vulnerability among orphans and vulnerable children. The AED team is currently working on planning the first Technical Advisory Committee (TAC) meeting.

The program held its third Partners Meeting of 2007 on July 31. The agenda included pilot and associate project updates, update on the FIELD learning agenda and approach, and discussion of SEEP FIELD Day.

During this quarter, the FIELD-Support team worked with its partners on finalizing the designs for prospective pilots, selected for funding as a result of a new round of FIELD-Support LWA pilots announced via Request for Concepts (RFC) to LWA Core organizations in April:

1. Expanding Islamic Financial Services (FINCA & IRIS)
2. Microfinance Energy Links Project (ACCION & SEEP)
3. Sustained Market Access for Subsistence Farmers in Bolivia (SAVE, AFE & WV)
4. Integrating Small Farmers into Productive Value Chains through Contract Farming, Bangladesh & Tanzania (AFE/TNS)

In addition to the Partner's Meeting, the FIELD-Support team also held routine meetings with many of the partners to discuss organization specific issues. During the quarter, the team met with WOCCU, FINCA, IRIS, ACDI/VOCA, AFE, SEEP and SAVE, among others. These meetings served the purpose of improving coordination and collaboration across the FIELD-Support LWA, addressing management and contractual issues, and discussing the new and current pilot projects that partners were implementing.

AED/FIELD-Support also held meetings with several international organizations involved in microfinance and microenterprise development including PANOS and the EBRD.

The FIELD-Support team continued to work closely with the USAID/MD office to advance the goals and objectives of the project. During the quarter ending September 30th, the team held several meetings with the project CTO. Topics covered during these meetings included the

FIELD-Support 2007 Workplan, reporting requirements, upcoming associate awards, the project's knowledge management strategy, and performance management plans.

The AED/FIELD-Support team members also participated in various industry-wide events related to FIELD-Support areas of expertise, including AMAP-sponsored Breakfast Series and After Hours events and workshops.

On September 10 – 12, Timothy Nourse participated in the Global Youth Microenterprise Conference, where he facilitated a session on Hard-to-Reach Youth in Hard-to-Reach Environments.

2. Pilot Activities

Implementation continued on the eight pilot activities approved in 2006 and 2007. A brief review of each pilot activity can be found below.

Microenterprise Development in Fragile States – IRIS with Save the Children, CARE, and World Vision (October 2005 – September 2007)

The IRIS Center, working in partnership with CARE, Save the Children, and World Vision, has been finalizing the *model guidelines* for sustainable microenterprise development work in fragile states. The project is focusing on finding practical ways to improve *local institutional arrangements* (“enabling environments”) as they impact enterprise development and the related areas of financial services and delivery of public services.

During the reporting period, IRIS and its partners have been consolidating lessons from Mozambique, Angola, and Nepal and creating guidelines for a policy framework aimed at creating enabling environment for microenterprise development. A final report is due early next quarter.

The Savings-Led Financial Services Working Group – CARE with SEEP Network (previously titled as Community Managed Savings and Loan Fund Working Group) (March 2006 – September 2007)

CARE, in collaboration with the SEEP Network and its members, has developed a set of industry standard performance management ratios for savings led financial service programs, such as CARE's Village Savings and Loan program, the PACT Worth tool, the SHG movement in India, and Oxfam's Saving for Change program. The tool includes detailed definitions of financial terms and explanations of how to prepare performance monitoring reports for such programs.

CARE and the SEEP working group have finalized the Performance Management Ratios and are currently in the process of finalizing the related manual, which will include the full definition of each ratio, examples on its use and suggestions for how each ratio contribute to program management.

Integrating the Un-banked through Remittance-linked Product Development in Guatemala – WOCCU (March 2006 – January 2008)

WOCCU and the Federacion Nacional de Cooperativas de Ahorro y Credito (FENACOAC) are working with five federation members to design and market new products and encourage those who receive remittances to join credit unions. Project efforts center on two topics – convincing people to channel a portion of their funds into saving accounts and designing credit products for those who would consider taking a loan for housing, business, or other viable investment.

On July 26, a meeting with WOCCU's local implementing partner FENACOAC was held in Guatemala City. This meeting resulted in a new work plan, which was then discussed in detail in a meeting held on July 27th with FENACOAC's senior manager and WOCCU's implementation team. During the meeting, changes and modifications needed for improving the remittance's data capture and reporting into their software were discussed and agreed upon.

During August 12-18, individual interviews with the marketing managers of each participant pilot credit union were held with the goal of conducting a brainstorming session for the product design. Towards the end of August, as a result of those interviews, a product profile was developed and a publicity agency was hired for the design of the product's image. Both the product profile and the different concepts developed for the image were sent back to the managers for feedback. A final meeting was called in mid October and the final product profile and image have been defined. Adoption by the pilot credit unions and testing is scheduled to start soon.

On August 17th, a set of formats for the generation of reports to be included in the remittance software were submitted to FENACOAC's IT department for its programming. Those formats have the goal of generating meaningful and useful data for tracking down the remittance's performance for each individual credit union as well as provide relevant information to be used for cross-selling of the products and services.

The changes recommended for the data capture was programmed in August and September 2007. If the testing is successful, they will be uploaded into FENACOAC's software in early October 2007.

Financing Water: Using Financial Systems to Improve Access to Irrigation and Markets in Rural Peru – CARE with ACDI/VOCA (October 2006 – May 2008)

This pilot project is designed to build and rehabilitate productive water systems using the microfinance institution EDYFICAR as the primary source of funding. CARE is using a value chain approach. The project includes not only the financing of water systems, but also development of linkages with markets so participants can maximize the value received from their increased productive capacity.

CARE Peru continued working with irrigation associations and assisting farmers to develop business plans for application to Edyficar. The aim is to develop business plans that link into

higher value chains. FIELD-Support will provide a more complete update next quarter when additional details become available from CARE.

SOCIAL Performance Evaluation of two MFIs – ACCION International (October 2006 – September 2007)

Through this pilot activity, ACCION is applying the SOCIAL tool, a diagnostic to evaluate the success of the microfinance institution in fulfilling its social mission and contributing to broadly accepted social goals. The tool will be applied at two microfinance institutions, Uganda Microfinance Limited in Uganda and an affiliate of Unitus network in India.

During the reporting quarter, ACCION completed two social performance diagnostics of Unitus partner ASA-GV and ACCION partner Uganda Microfinance Limited. Both institutions were provided with full diagnostics of their social performance, social scorecards to use for regular monitoring and a list of actions to improve their social performance. Each institution provided comments to the report before it was finalized. These diagnostics were submitted to AED/LWA in September 2007.

Social Performance Management (SPM) Working Group and SPM Map/State of the Practice Paper – SEEP Network (October 2006 – December 2007)

The Social Performance Working Group held a "write-shop" in July to continue to draft key parts of the social performance map. The map (a state of the practice paper) will include sections on Corporate Social Responsibility; Social Auditing; Social Investment; Social Rating; Social Performance and the Environment; Social Return on Investment; Sustainability Reporting; Costs and Benefits of Social Performance; Global Social Performance Trends such as Accountability 1000 Initiative, the Global Reporting Initiative, ISO 2600 (new initiative by the International Organizations for Standards to create social performance standards), and Social Accountability 80000 Standards; and Other Initiatives and Tools (FINCA Client Assessment Tool, Grameen Foundation Progress out of Poverty Index, or PPI, the GRI-Triodos Initiative, Imp-Act, Ford/CGAP Social Performance Indicators Initiative, ACCION SOCIAL Tool, USAID (AMAP) Social Auditing, MicroFinance Centre Social Auditing Tool, MicroFinance Centre in Poland).

As part of the Focus on the Field event at the SEEP Annual Conference, there will be a session on "Taking Social Performance to the Next Level: Mapping & CSR." The map itself will be finalized by December 2007.

Poverty Assessment Tools Training - IRIS Center (September 2006 – December 2008)

The PAT Training pilot project aims to better equip recipients of USAID microenterprise funding to assess and report the incidence of extreme poverty among their clients using country-specific poverty assessment tools.

During the final quarter of FY2007, the PAT Training team:

- Updated the PAT training materials on the project website based on feedback received from some of the initial implementations of the PATs;

- Provided Help Desk support for those implementations and for questions from Missions and other potential implementers;
- Worked with the USAID/MD office in identifying and contacting the implementing partners who are required to implement a PAT and report the results for FY2007;
- Began compiling the information necessary for selecting the location of FY2008 regional PAT trainings; and
- Investigated options for developing and introducing new e-learning training materials to supplement the PAT regional trainings and current training materials available on the website.

Improvements to the website during the reporting period include improvements to the tools and training materials based on continual feedback via the Help Desk, updated and additional FAQs, minor changes to the home page to ensure that important information is more visible, and the addition of new country-specific PATs developed under the AMAP PAT II contract.

The first full implementations of the PATs were completed during the previous quarter. To date, those who have implemented have attended one of the PAT Regional Trainings. The most prevalent Help Desk questions posed by these organizations involved sampling. Help Desk questions and feedback from those organizations who implement without direct training will be even more helpful in identifying needed improvements to the web interface and training materials, as well as to the design and content of the e-learning materials to be developed.

In order to be able to provide proactive Help Desk support to those organizations required to implement a PAT for FY2007, the PAT Training team met with the QED/MRR team and USAID to decide how best to identify those organizations. Don Sillers contacted the Mission offices in all 17 countries with current PATs and then made initial contact with all of the USAID partners identified by the Mission as having received at least \$100,000 in USAID funding for microenterprise activities. The PAT Help Desk will contact these organizations to find out whether they need any assistance.

The PAT team continued to consult with USAID on the next steps for the overall PAT project, including which countries will likely be prioritized for the next round of tool development, and what options will be considered for future training dissemination. The tentative plan for regional trainings in FY2008 is to have one in Washington, DC, one in Europe and Eurasia, and one in Africa. The countries of Azerbaijan and Ghana were used in the FY2008 work plan budget submitted by IRIS. However, IRIS will assess likely demand in each region based on who received training in 2007 and where additional country tools are coming on line, and will then consult with USAID/MD to decide on the two international training sites.

The MD office is interested in expanding the dissemination options as additional country tools become certified and even more USAID partners need to learn how to implement the PATs and asked IRIS to explore options for integrating e-learning materials into the existing website and training materials. The PAT team worked with the AED Knowledge Management Specialist, Christian Pennotti, to investigate e-learning options for the next project year. Preliminary research also included discussions with an e-learning consultant, two university professors who

use e-learning materials for their courses, as well as representatives from two software companies.

On September 13, 2007, the PAT Team met with Tom Kennedy, Don Sillers, and Nhu-An Tran from the USAID/MD office to present the initial plan for developing e-learning materials for the project. As outlined in the recently-submitted Work Plan for FY2008, the three initial main components presented to USAID consisted of: audio voiceovers and taped training sessions to supplement the current training materials; live, interactive training (Q&A) sessions via the Internet; and an online bulletin board. The MD office approved of this initial plan. Once IRIS receives approval from the MD office to purchase the necessary software and equipment, the PAT Training team will start to create the e-learning components.

Improving design, implementation and current practices of economic strengthening interventions for AIDS affected households within the USG OVC program portfolio – SAVE with MEDA (March 2007 – September 2007)

This pilot focuses on assessing and analyzing the state of the economic strengthening (ES) practice supported by United States Government (USG) Orphans and Vulnerable Children (OVC) portfolios and support for ongoing practice.

During the reporting quarter, the pilot team worked on *Stakeholder Engagement for Guidelines Development*. At each stage of the development of the guidelines document, a number of key stakeholders were involved to provide feedback on outlines, content emphasis as well as provide ideas on layout, terminology and length of the document.

In August, Save the Children (SAVE) circulated a first draft of the guidelines paper to AED and USAID. Feedback from these stakeholders as well as team members raised questions on the emphasis and the importance of striking a balance in the content presented in the paper.

Since the field mission to Kenya and Uganda, a number of those who participated have followed up asking for outcomes of the field work along with invitations for presentations on these outcomes. Groups such as AVSI that operate in both Kenya and Uganda look to improve their ES work and look forward to the guidelines document as one resource to achieve such improvements. Also, other groups with ties to the government in Uganda are hoping that the paper can inform social welfare policy on OVC in the country.

The guidelines paper itself will strike a balance to address both gaps in effective ES program development and best practices in interventions benefiting OVC in HIV/AIDS affected households.

Stakeholder Engagement for Guidelines Development. Jason Wolfe, Allyn Moushey and Renee DeMarco have represented USAID in providing feedback for the development of the guidelines document. They have shared their experiences with the challenges of existing documents developed by other authors and cautioned on the importance of articulating clear objectives with respect to ES work as well as keeping this technical paper simple. Evelyn Stark, formerly with USAID, also provided key insight.

SAVE's internal HIV/AIDS advisors Brenda Yamba and Kendra Blackett-Dibinga have been instrumental in providing input on how to keep ES relevant to OVC and HIV/AIDS communities. They have brought forth historical insight on the evolution of PEPFAR guidelines as well as the links to other components of HIV/AIDS work that can influence the approach of ES.

AED's FIELD-Support team has also played a critical role in providing insight on the importance of principles to guide best practice ES work with HIV/AIDS affected communities. AED has spent a significant amount of time developing these principles to guide its work with the Displaced Children's and Orphans Fund (DCOF).

John Williamson from DCOF has also responded to the draft document and provided SAVE with specific ideas on ways forward with the guidelines document. As a steering committee member on OVC, he has been thoughtful and proactive on such areas as presenting an alternative way of categorizing ES interventions based on the work of Jill Donahue. He has signaled clear areas for clarification and emphasis also based on the work DCOF has supported by Jim Dempsey.

Preparation of Guidelines Paper. While many practitioner oriented guidelines on ES exist, very few are accessible to USAID missions and HIV/AIDS technical specialists in Washington. Accessibility is a core driver for developing this pilot project's guidelines paper. Characteristics of accessibility include use of simple terminology, basing the document on past experience with effective ES, articulation of objectives that meet goals of cross-sector specializations and in a short and precise document.

SAVE developed a first draft of the guidelines that focused on program development steps in effective ES component design in August 2007. This draft document was shared to gain input from the key stakeholders involved in its development. Input from key stakeholders signaled that while the document reflected characteristics of accessibility, it focused too much on program development steps.

In September, SAVE proposed an alternative outline that balanced the need for best practice principles and systematic program development steps. The current document strikes a balance in these two areas mirroring work USAID is supporting in youth livelihoods guidelines development. In recognition of the significant amount of time required to restructure and write the document, SAVE requested and was granted a no cost extension until mid November.

A second iteration of the guidelines document will be presented at the October SEEP meeting. This meeting will provide a range of USAID and partner representatives to provide feedback to the document. SAVE will submit this document to AED for approval prior to its presentation at SEEP.

Preparation of Kenya Program Review Document. SAVE has spent a significant amount of time developing a program review document for Kenya. This document will complement the guidelines paper, going more deeply into interventions, lessons learned and recommendations for types of projects. The types of projects reviewed include job creation, skills training, group

savings and lending, cash transfers, financial services and those set up to address legal barriers to entry. This document will also be available with the guidelines paper by mid November.

Team Management. SAVE has learned a great deal about the kinds of contributions team members in this pilot were best placed to make. While there were expectations that all would contribute writing to the guidelines paper, this was sometimes not an area of strength for someone or they were challenged by other competing priorities to deliver more developed content from field notes.

Other challenges included team members not communicating transparently to Save the Children on their comments or feedback. This definitely posed a challenge of attribution of feedback since comments came via other members and not directly. It is challenging to manage this scale of a project when there are many people involved and established lines of communication are not used. Save the Children also learned that while some team members may sign up for areas such as writing, clear timelines and content expectations need to be reiterated to keep input timely and of quality.

Next Steps. SAVE will finalize a second iteration of guidelines by mid October to be circulated internally and with AED. A series of presentations will then be planned for late October and thereafter.

Market Development Working Group Economic Recovery after Crisis – SEEP (July 2007 – November 2008)

The Economic Recovery after Crisis Practitioner Guidelines pilot secured its lead facilitator, Tracy Gerstle of SEEP member CHF International. Over 23 member and non-member NGOs and private development consulting firms send representatives to attend the kickoff workshop for the guidelines, held September 27-28 in Washington, including FIELD-Support core partners AED, ACDI/VOCA, FINCA International, and SAVE, as well as resource organizations such as World Vision International. At the workshop, a representative from the Sphere Project shared their lessons learned in developing guidelines, and advised the group throughout the workshop on how to make the guidelines suitable for being accepted as a companion module to Sphere. Workshop participants developed the outline for the guidelines and organized themselves into groups to begin writing the different sections of the guidelines. The lead facilitator and assistant facilitator have also issued invites to donors active in economic recovery for the next activity, a donor-practitioner dialogue to be held in October as part of the Focus on the Field event at the SEEP Annual Conference.

3. SEEP Program

Collaborative Learning Networks to Advance Microenterprise Development Knowledge and Practice – SEEP Network (October 2006 – September 2009)

The *Collaborative Learning Networks to Advance Microenterprise Development Knowledge and Practice* consists of two components:

- The Practitioner Learning Program (PLP); and
- The Implementation Grant Program (IGP) Learning Networks

Practitioner Learning Program (PLP)

During the reporting period, SEEP released an RFA for the first round of the Practitioner Learning Program (PLP), on Youth and Workforce Development. The PLP will focus on market-driven programs to achieve 100% client success rates. Applications are due October 5, and SEEP expects a strong cohort of applicants, having promoted the program at Making Cents' first Youth Microenterprise Conference in September. The second round of the PLP, focusing on building strategic alliances to better serve HIV/AIDS-affected microenterprise clients and communities, will release its RFA in the first days of October.

IGP Learning Networks

Enterprise Development IGP Learning Network

During the reporting period, SEEP formalized the learning plan for the network. Specifically, the network participants have been submitting bi-monthly diaries which 1) provide a means of communicating with the peers in the Learning Network; 2) discuss the two learning topics ("win-win" and "catalyzing change") so that the participants can "record-as-they-go" and, hopefully, document the dynamic adjustments they make along the way; and 3) provide material that feeds directly into their semi-annual report. The participants submitted their first diary entry on September 15. SEEP is utilizing the diary entries to identify common learning themes which are being discussed through list-serves and conference calls. Planning is underway for the mid-term workshop in quarter one of 2008.

Financial Services IGP Learning Network

During the reporting period, SEEP and USAID came to an agreement to focus on individual organization's learning agendas and to foster peer-to-peer learning where synergies exist. Based on this agreement, each IGP grant recipient has agreed to produce two learning products within the next two years. Additionally, SEEP is conducting quarterly peer conference calls to share learning between organizations who have expressed interest in learning from each other. To date, WOCCU and FINCA participated in a conference call focusing on delivery of services to remote locations. Peer exchanges between Shorebank and SAVE and FINCA and Opportunity International are being scheduled for October.

Associate Awards under Implementation

Agriculture, Rural Investment and Enterprise Strengthening Program USAID/Afghanistan (September 2006 – September 2009)

AED and its implementing partners - ACDI/VOCA, the World Council on Credit Unions (WOCCU), FINCA, Microfinance Investment Support Facility for Afghanistan (MISFA) and ShoreBank International (SBI) - continue to expand access to financial services in the four regions of Afghanistan and to create a strong private sector foundation for a sustainable financial system capable of providing a range of financial services to rural areas.

During the reporting period, MISFA, with SBI's assistance, disbursed over 25,000 loans and signed a MOU for a guarantee facility of US \$2 million to Bank Alfalah and began lending activities in Herat and Nangarhar Provinces. MISFA also signed a US\$2 million credit line with First Microfinance Bank for SME lending in Afghanistan. FINCA disbursed over 41,000 loans and opened three more new microfinance branches in Islam Qala and Ghuryan districts of Herat Province and in Baghlan Province. ACDI/VOCA's Afghanistan Rural Finance Center (ARFC) Board of Directors approved a US \$80,000 loan to Balkh Livestock Development Union for dairy processing operations, a US \$150,000 Qarbankhil Ltd. for agriculture input supplies and a US \$200,000 loan to Dilpazir Bakery Company to purchase equipment and for operating capital. Of these loan approvals, a loan agreement was signed with Qarbankhil Ltd. WOCCU disbursed over 1,500 loans and opened another investment and finance cooperative (IFC) in Laghman Province and held the first orientation for its newly opened IFC in Helmand Province.

During the next quarter and throughout Year 2, the ARIES program will prepare for expansion into new geographic areas and disseminate learning generated by the program to relevant stakeholders. In particular, AED will continue to facilitate a branchless banking initiative with FINCA and the mobile phone company Roshan; MISFA, with the assistance of SBI, will work with at least five bank partners to leverage US \$11.9 million in loans; ACDI/VOCA plans to extend over US \$14 million in loans to small and medium rural enterprises that will result in significant job creation; FINCA expects to expand operations to Kandahar Province and extend an additional US \$6.5 million in loans; WOCCU will support thirteen IFCs to disburse an additional US \$6.5 million in loans and create three regional associations that will provide long term support to the network of IFCs.

Small- and Microfinance Assistance for Recovery and Transition (SMART) (September 2006 – September 2008)

The Small and Microfinance Assistance for Recovery and Transition (SMART) program is a two-year activity designed to preserve the microfinance institutional infrastructure in the West Bank and Gaza and assist microfinance intermediaries develop and adopt effective strategies and management practices during the present emergency in order to lay the foundation for a transition to sustainable growth.

The SMART Program made many strides during this quarter. SMART and Al Rafah Micro Finance Bank signed a US\$595,000 Risk Coverage Guarantee Agreement covering two portfolios totaling 1,100 loans at a value of US \$4.25 million to help increase micro- and agricultural lending for farmers in the Jordan Valley by leveraging loan defaults at a ratio of 1:7. SMART's US \$1,290,115 grant to UNRWA's Microfinance and Microenterprise Development (MMD) department achieved tremendous impact in Palestinian communities. The UNRWA MMD grant helped complete a scoping study of UNRWA MMD's intended transformation and a savings study for appropriate savings products, capacity training for 100 UNRWA staff to develop better operational and managerial skills, and the disbursement of 964 new micro-loans to 7,296 borrowers throughout Nablus, Tulharem, Jenin, Ramallah, Bethlehem, and Hebron using loan capital of US \$583,000.

In the final months of this quarter, SMART hosted the first Technical Level Donor sub-group meeting, finalized a contract with Banyan Global to prepare and conduct a training course entitled “MFI Crises Risk Management” for members of MFPs in the West Bank and Gaza, and contracted with the Mennonite Economics Development Associates (MEDA, US) to conduct a study on options, management, and enforcement of collateral for MF loans in West Bank and Gaza.

During the next quarter and throughout Year 2, SMART intends to use the lessons learned from the program’s first 4 quarters and support business turnaround for microfinance providers (MFPs) in the face of the economic emergency. In addition, SMART will support the development and adoption of effective risk management and mitigation strategies that will promote sustainable growth for MFPs in the West Bank and Gaza.

Development Communication (DevCom)
(September 2006 – January 2008)

The DevCom associate award under the FIELD-Support LWA builds upon and helps validate original assumptions and document the work previously begun in Morocco and Kenya within the framework of the *Agriculture Partnerships for Productivity and Prosperity (AP³) Project*. AP³ is a global demonstration project supported by USAID that is designed to improve rural livelihoods by increasing the scale and impact of agriculture development programs. Originally scheduled for completion in September 2007, a no-cost extension through January 31, 2008 was sought and approved by USAID.

The DevCom project works to finalize demonstration activities with an emphasis on innovative, comprehensive, and integrated system/value chain approaches that will lead to sustainable environmental protection and economic growth with poverty reduction through increased productivity in the agricultural sector.

Activities completed during the quarter ending September 30, 2007 included:

A. Monitor and Evaluate System Relationships along the Dairy Enriched Feed Value Chain in Kenya

The second data collection point, initial analysis, and drafting of the evaluation plan have been completed. Activities to be conducted during the no-cost extension include:

- The Kenya AP3 team will review of the draft report and, in a collaborative process with Karabi Acharya and Bette Booth, conduct an analysis of the results. The report will be revised based on this input. The report will be vetted with the project CTO and revised based on her input

B. Workshop on the Lessons Learned Best Practices from the AP³ Demonstration Sites:

Instead of one large event, AED/CES will conduct two smaller brown bag discussions – one at USAID for USAID and one at AED open to international development practitioners. The events will consist of a showing of the SCALE™ video and PP presentation on the evaluation results in both countries. The case studies, evaluation report, and other relevant materials will be distributed.

C. Integrate the SCALE™ and Value Chain Approaches and Training

AED/CES has initiated cross-sectoral collaboration between the EGAT/NRM/LRM and EGAT/PR/ME Teams by facilitating a process that has helped each team share best practices and approaches. The deliverables - SCALE™/Value Chain Think Tank and Action Plan for next steps – have been completed. The teams now share a common understanding of the different approaches and are poised to initiate the cutting-edge, innovative work of merging the Value Chain training into the SCALE™ training and vice versa.

D. Develop and Refine a SCALE/Value Chain Evaluation Methodology and Tool

As described in the original Field Associate Award Work Plan, AED is to develop and refine a low-cost SCALE™/Value Chain Evaluation Methodology and Tool. Originally, this component was to focus on measuring the impact of the GreenCOM/AP³ demonstration activities on livelihood development, enterprise development, poverty alleviation, and other indicators at the household, community, and system levels in at least one of the countries (Morocco or Kenya). Due to both timing and financial issues, the TA has been applied to the Global Sustainable Tourism Alliance project.

The FIELD Support Leader Award contracted Dr. Elizabeth Dunn, Impact LLC, to provide this technical assistance. At this point, Dr. Dunn has provided conceptual guidance in the development of the economic indicators causal model for the overall GSTA project. However, the deliverable of a rapid, cost effective methodology and tool has not yet been developed. The no-cost extension will provide time for this methodology and tool to be developed using the Ecuador and Dominican Republic GSTA sites as case studies -greatly improving the quality and effectiveness of this deliverable.

Supporting Transformation by Reducing Insecurity and Vulnerability with Economic Strengthening Program (STRIVE) (September 2007 – September 2012)

On the last day of the quarter, AED signed an agreement with USAID's Displaced Children and Orphans Fund (DCOF) to implement the *Supporting Transformation by Reducing Insecurity and Vulnerability with Economic Strengthening Program* (STRIVE). This new program is valued at US \$15.9 million and is a 5-year award under the FIELD-Support Leader with Associate cooperative agreement. The purpose of STRIVE is to demonstrate effective means to strengthen the circumstances of highly vulnerable children and the families and communities that care for them. AED is leading a multi-partner team of the leading child-focused and economic strengthening organizations to partner on producing a replicable methodology for economic development that demonstrably benefits vulnerable children. STRIVE will implement multiple projects, principally in Africa and Asia that seek effective ways of sustainably reducing vulnerability among the target population. In addition to AED, FIELD-Support partner

organizations CARE, SAVE, ACDI/VOCA, World Vision, MEDA, Action for Enterprise, IRIS Center, and dTS will be engaged in the design and implementation of STRIVE activities.

5. Knowledge Management

5.1 AED/FIELD-Support Knowledge Management:

Microfinance and the Mosque, A FIELD Support Event

On July 2nd, AED/FIELD-Support hosted an event on Microfinance and the Mosque: Recent Insight & Experience in Islamic Microfinance. The event featured presentations by Paul Robinson, Country Director for FINCA Afghanistan, Zamir Iqbal, Principal Financial Officer of the World Bank and Adil Sadoq, Membership Development and Training Manager of Sanabel. The event was attended by over 75 people ranging from USAID staff members to representatives of the World Bank, IMF, US Military and a diverse group of practitioner organizations. In advance of the event, FIELD created a two-page overview of Islamic finance practices in Afghanistan under the ARIES Program. The event was promoted on microLINKS as well as through leading microfinance listservs (DevFinance, MicrofinancePractice Yahoo Group).

Focus on the Field Preparation

During this quarter, FIELD-Support Knowledge Management Coordinator, Christian Pennotti was busy planning and scheduling Focus on the Field to be held on October 23 as part of the SEEP Annual Conference. Tasks completed during the quarter included:

- Secured the venue and catering.
- Finalized the agenda in concert with USAID MD, FIELD partners and other key stakeholders.
- Identified and began to secure the participation of facilitators and speakers for each session.
- Developed a marketing campaign to promote the event with the first announcement sent by SEEP in July and subsequent promotions through microLINKS Connections and the SEEP Web site.
- Developed a sub-section on www.microlinks.org/field for the event.
- Participated in ongoing coordination with the SEEP Network through weekly administrative meetings.

Cambodia Enterprise Development Workshop

Christian Pennotti, Margie Brand, and Olaf Kula (ACDI/VOCA) traveled to Cambodia from September 5 - 21. The purpose of the trip was to support USAID/Cambodia in designing and implementing a two-day workshop on value chain interventions and enterprise development. Specific activities included:

- Conducting a broad literature review on existing and planned donor value chain initiatives.
- Interviewing more than 15 representatives of development agencies implementing value chain programs.
- Building a database of all value chain activities currently being conducted or planned in Cambodia.
- Conducting initial analysis based on program SOWs, reports and interviews.
- Designing and conducting a 2-day workshop.
- Drafting report.

The team is currently finalizing the report and database with USAID/Cambodia and will submit them by October 31, 2007.

In addition to the initiatives above, FIELD-Support continued to participate in and contribute to a diverse array of USAID/MD office knowledge management initiatives and to build partnerships with FIELD-Support and AMAP implementers.

5.2 Partners' Knowledge Management Activities:

The IRIS/PAT team has begun working with AED Knowledge Management Specialist Christian Pennotti to investigate e-learning options for the next project year. The next quarter will see the continued updating of the website in response to user needs. The PAT training team will also continue to investigate e-learning options and make a decision regarding the best strategy for incorporating this learning technique into the PAT training project to complement the regional trainings and web-based materials.

AFE completed research report on USAID-funded health sector activities/projects that are following market development principles. This is a follow-up to AFE's pilot study in Bangladesh and is aimed to answer questions as to how many USAID-funded health programs are using value chain/market development approaches and supporting the "commercial private health sector" as a means of getting needed products and services to underserved populations. The resulted paper provides an overview of the issue, highlights a few relevant programs, and presents some general principles for those who are interested in applying the market-based approach to implementing health programs.

ACCION has been actively participating in industry-wide initiatives related to FIELD-support areas of expertise, such as the social performance working group for investors, where ACCION designed the survey that this working group applied to a target group of 100 investors. ACCION has also been providing comments and ideas for the proposed indicators to be included in the social performance common development framework. ACCION has also worked on contributing to the various sessions related to social performance during the SEEP network meetings planned for October.

As a follow on to the publication of "Transforming Microfinance Institutions: Providing Full Financial Services to the Poor," ACCION International, in conjunction with the MicroFinance Network, has initiated a Transformation Learning Group to provide a forum for sharing and discussing key issues related to transformation among its members. Using funding from the LWA Field Grant, Victoria White, co-author of the publication, serves as lead and moderator for this Learning Group. The Transformation Learning Group conducted a working session on ownership and governance on July 17, with ACCION Vice-President Deborah Drake serving as a guest speaker and facilitator to conference call participants from a number of different countries.

6. FIELD-Support Team Staffing

The overall program staffing pattern can be found in the table below.

Position	Function	Incumbent
Director	Provides overall direction and leadership for the LWA and partner relations. Drives mission outreach and new award development. Coordinates all LWA functions with USAID.	Paul Bundick
Deputy Director	Manages day to day operations including proposal production, partner meetings, contracts, financial reporting, monitoring and evaluation as well as USAID reporting.	Nick Wedeman
Microenterprise Specialist	Provides technical and management support to field-based associate awards and pilots as well as intellectual input into the learning agenda. Works closely with Director on the outreach and communications functions.	Tim Nourse
Knowledge Management Specialist	Develops and manages the KMC function including organizing learning events, publications and communicating results, key findings and new products.	Christian Pennotti
Finance Manager	Provides monthly financial reports to USAID and provides financial management for pilots and associate awards in the field.	Bob Steiner
Program Officer	Contributes to the overall administration and management of the LWA, including proposal preparation; backstopping and monitoring of FIELD-Support LWA pilot activities, their workplans, contracts and reporting; and provides assistance with start-up of new Associate Award projects.	Rada Lankina
Program Associate	Provides operations management and support for overall leader award, partners and associate awards.	Megan Greeley